

Tobin & Co.

Whitewater Township

Grand Traverse County, Michigan

Audit Report

For the Year Ended March 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <u>WHITEWATER TOWNSHIP</u>	County <u>GRAND TRAVERSE</u>
Audit Date <u>MARCH 31, 2005</u>	Opinion Date <u>SEPTEMBER 20, 2005</u>	Date Accountant Report Submitted to State: <u>SEPTEMBER 30, 2005</u>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) <u>TOBIN & CO, PC</u>			
Street Address <u>400 E 8th STREET</u>		City <u>TRAVERSE CITY</u>	State <u>MI</u>
Accountant Signature <u>David T. Barber</u>		ZIP <u>49686</u>	Date <u>9-30-05</u>

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Table of Contents

INTRODUCTORY SECTION

Comments and Recommendations	4 - 5
------------------------------	-------

FINANCIAL SECTION

Accountant's Report	7
Management's Discussion and Analysis	8 - 10

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12

Governmental Funds:	
Balance Sheet	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14

Proprietary Funds:	
Statement of Net Assets	16
Statement of Revenues, Expenses and Changes in Net Assets	17
Statement of Cash Flows	18

Fiduciary Funds:	
Statement of Fiduciary Net Assets	19

Notes to Basic Financial Statements	20 - 27
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SUPPLEMENTAL DATA SECTION

Required Supplementary Information:	
Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
1 - General Fund	29 - 32
2 - Fire Fund	34
3 - Park Fund	35
4 - Recreation Fund	36
5 - Fire Capital Improvement Fund	37

Non-major Governmental Funds:	
6 - Combining Balance Sheet	39
7 - Combining Statements of Revenues, Expenditures and Changes in Fund Balances	40

Other Supplementary Information

8 - Statement of Changes in Assets and Liabilities – Current Tax Collection Fund	43
9 - 2004 Property Tax Levy and Collection	44
10 - Statement of Revenues, Expenditures and Balance – Property Tax Administration Fees	

INTRODUCTORY SECTION

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Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Whitewater Township, Grand Traverse County, for the year ended March 31, 2005 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Whitewater Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

General

The accounting records were maintained in excellent condition by your Clerk and Treasurer. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were maintained in proper order, and supporting documents and follow-up procedures appeared to be in very good order. The efforts of these officials during 2004-2005 are commendable.

Budgets and Procedures

The Township prepared and adopted budgets for its General and Special Revenue Funds. See Note 2 of the "Notes to Financial Statements".

General Fund

The General Fund is presented on Schedule 1 of this report.

Fire Fund

This fund, presented on Schedule 2, is used to account for the special voted tax for fire protection. The Fund balance at March 31, 2005 was \$112,921.

Park Fund

This fund, presented on Schedule 3, is used to account for revenues generated through the use of Township parks. Such revenues are used to operate and maintain the parks. In addition, this fund received an appropriation of \$14,892 from the General Fund during the audit year. The Fund balance at March 31, 2005 was \$1,566.

Recreation Fund

This fund, presented on Schedule 4, is used to account for a special voted tax and revenues generated from fees for use of recreational facilities. The Fund balance at March 31, 2005 was \$27,839.

Fire Capital Improvement Fund

This fund, presented on Schedule 5, is used to account for monies set aside for the purchase of fire fighting equipment. Revenues consisted of earned interest of \$2,814 along with an operating transfer of \$56,773 from the Fire Fund. The Fund balance at March 31, 2005 was \$187,795.

Road Fund

This fund, presented on Schedules 6 and 7, was initiated by Board resolution in the current fiscal year and is used to account for Metro Act State Shared Revenues of \$11,024 for the fiscal year. Expenditures of \$10,755 were used for right-of-way maintenance. The fund balance at March 31, 2005 was \$364.

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Comments and Recommendations

Ambulance Fund

This fund, presented on Schedules 6 and 7, is used to account for revenues derived from ambulance runs which are used to finance the Township ambulance operations. In addition, this Fund received appropriations of \$5,000 from the General Fund during the audit year. The fund balance at March 31, 2005 was \$8,243.

Ambulance Replacement Fund

This fund, presented on Schedules 6 and 7, is used to account for monies set aside for a future ambulance purchase. Revenues for the year consisted of \$347 in earned interest. The Fund balance at March 31, 2005 was \$18,350.

Public Improvement Fund

This Fund, permitted by Act 136 of 1956, as amended, is presented on Schedules 6 and 7. It is used to set aside certain miscellaneous revenues for future public improvements authorized by statute. During the audit year, the Fund received earned interest of \$218. The Fund balance at March 31, 2005 was \$11,493.

Property Tax Collections

The collection and distribution of the 2004 tax levy was handled in an excellent manner by the Township Treasurer. Paid receipts were filed in order of payment. Deposits were made timely and intact. Distributions to taxing units during the collection period were in accordance with statutory requirements.

See Schedules 8 and 9 for a summary of the 2004 property tax levy and collections.

Property Tax Administration Fees

A 1% Property Tax Administration fee is authorized by statute to offset such property tax administration costs as assessing, collecting, and the review and appeal process. Fee collections may be used for no other purpose. We note that Whitewater Township complied with statutory provisions as its accumulated administrative expenses exceed fee collections by \$217,336.

Payroll Procedures

The Clerk maintains excellent payroll records. Payroll withholdings were promptly remitted to various agencies and required reports were properly prepared. The Clerk's efforts are commendable.

Pension Plan

We noted that the Township has a pension plan for its elected officials and full-time employees through Manufacturers Life Insurance. The Township pays 100% of the cost.

Ambulance Billings

At March 31, 2005, unpaid accounts totaled \$4,446. The Board periodically takes action to write-off uncollectible accounts. An outside billing agency and a collection agency are utilized.

Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Municipal Underwriters of Michigan and has such coverage as fire and extended coverage, general liability, errors and omissions, workmen's compensation, equipment and crime coverage. Board minutes indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies, as well as the Supervisor, have specific surety bond coverage and the Township has a blanket surety bond for other employees.

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Comments and Recommendations

Other Data

We are pleased to note the use of interest bearing depository accounts. The purchase of certificates of deposit and other investment practices resulted in earned interest of \$19,773 during the audit year. This is commendable on the part of the Treasurer and other Board members.

After completion of our audit, we will submit the necessary copies of our report to the State Department of Treasury.

We again commend the Clerk and Treasurer for the excellent condition of the Township accounting records. We further appreciate the courtesy extended our field auditors in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITOR

To the Township Board
Whitewater Township
Grand Traverse County
Williamsburg, Michigan 49690

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate of remaining fund information of Whitewater Township as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate of remaining fund information of Whitewater Township, Grand Traverse County at March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Whitewater Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



TOBIN & CO., P.C.
Certified Public Accountants
September 20, 2005

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Whitewater Township Management Discussion and Analysis Letter

As the Township Board of the Whitewater Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Whitewater Township for the fiscal year ended March 31, 2005.

Financial Highlights

The assets of Whitewater Township exceeded its liabilities at the close of the most recent fiscal year by \$2,768,951. Of this amount, \$271,776 may be used to meet the Township's ongoing General Fund obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$640,356, an increase of \$28,194 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$271,776, or 83% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Whitewater Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include: general government, public safety, parks and recreation, road projects, and township improvements. The business-type activities of the Township include sewer operations.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Whitewater Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Whitewater Township maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund, Park Fund, Recreation Fund, and Fire Capital Improvement Fund, which are considered to be major funds. All Township government activities are included in these five funds plus four non-major governmental funds.

The Township adopts an annual appropriated budget for its general fund, special revenue and permanent funds. Budgetary comparison statements have been provided for the general fund and other governmental funds to demonstrate compliance with this budget.

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Proprietary funds: Whitewater Township maintains one individual proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses an enterprise fund to account for its sewer activities.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs.

The basic fiduciary fund financial statements can be found on page 19 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

General Fund Analysis and Highlights

General Fund spending was conservative for the audit period. Communication with the public was enhanced by the addition of a website. Preservation of community historical records was secured with the purchase of fireproof file cabinets. Computers and printers were upgraded. Work continued on the proposed zoning ordinance.

Condensed Financial Information and Analysis of Balances and Transactions of the Other Township's Funds.

Fire Fund – In the Fire Fund the rescue vehicle was purchased by Grand Traverse Rural Fire Department and the proceeds transferred to the Fire Capital Improvement Fund. An analysis of the current fire facilities was performed and recommendations were made for future needs.

Park Fund – Park roads were improved; electric added to two sites; swim and hidden object buoys added, a golf cart added to relieve the aging park vehicle.

Recreation Fund – Two tennis courts and a basketball court were added at Hi Pray Park.

The Fire Capital Improvement Fund benefited from the monies transferred from the Fire Fund of proceeds from the sale of the rescue unit.

For condensed financial information, refer to pages 12 to 18 of the audited financial statements.

Capital Asset and Debt Administration

Capital assets: The Township's investment in capital assets for its governmental activities as of March 31, 2005, amounts to \$1,741,223. This investment in capital assets includes: several parcels of land, Township Hall, Parks facilities, Fire and Rescue buildings, Fire and Rescue Trucks and Equipment, and Office Equipment and Computers. This is the first year that the total Township's investment in capital assets has been assessed and reported. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives. This fiscal year the amount by which capital outlays exceeded depreciation was \$72,412.

Cash Assets: At the end of the current fiscal year, the Township had \$779,659 in cash and other spendable assets. The Township is limited by State law in how it can invest these funds, and we have made no changes in our investment strategy in several years.

Long-term Debt: At the end of the current fiscal year, the Township had \$235,000 in bonded sewer debt and \$85,702 of installment debt outstanding. No new debt was incurred during the fiscal year.

Pension Plan: The Township makes contributions equal to approximately 10% of each qualified employee's wage to John Hancock Life Insurance Co. on behalf of each participating employee. This is an expensed item in the budget and totaled \$11,252 for the fiscal year.

Currently Known Facts, Decisions, or Conditions Expected to Significantly Effect Next Year and Beyond

General Fund – Finalize and implement new zoning ordinance. Plan for future needs of Township offices and Historical Society.

Fire Fund – Plan for future needs of Fire Department as identified in analysis.

Park Fund – Research grant funding for service building; possible addition of electric to campsites.

Recreation Fund – Finalize purchase of Battle Creek Natural Area and create management plan for the same. Renovate restrooms and add handicap parking at Hi Pray Park.

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Fire Capital Improvement Fund – May consider purchase of property for new fire station.

Requests for Information

This financial report is designed to provide a general overview of Whitewater Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Whitewater Township, Carol Hockin, Clerk, P. O. Box 159, Williamsburg, MI 49690.

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Whitewater Township Statement of Net Assets March 31, 2005

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 622,365	\$ 157,294	\$ 779,659
Accounts Receivable	37,689	151,513	189,202
Capital Assets:			
Land	1,154,179	26,000	1,180,179
Other Capital Assets, Net of Depreciation	672,746	280,270	953,016
Intangible Assets, Net of Amortization	-	4,721	4,721
Total Assets	<u>2,486,979</u>	<u>619,798</u>	<u>3,106,777</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	10,398	78	10,476
Deferred Revenue	9,300	-	9,300
Long-term Liabilities, Net of Discounts:			
Due Within One Year	12,998	15,000	27,998
Due in More Than One Year	<u>72,704</u>	<u>217,348</u>	<u>290,052</u>
Total Liabilities	<u>105,400</u>	<u>232,426</u>	<u>337,826</u>
<u>Net Assets</u>			
Invested in Capital Assets and Intangible Assets, Net of Related Debt	1,741,223	78,643	1,819,866
Restricted	368,580	308,729	677,309
Unrestricted	<u>271,776</u>	-	<u>271,776</u>
Total Net Assets	<u>\$ 2,381,579</u>	<u>\$ 387,372</u>	<u>\$ 2,768,951</u>

See Accompanying Notes to Basic Financial Statements

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Whitewater Township Statement of Activities March 31, 2005

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Assets</u>		<u>Total</u>
		<u>Fees and Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Governmental Activities:						
Legislative	\$ 50,734	\$ -	\$ -	\$ (50,734)	\$ -	\$ (50,734)
General Government	232,695	2,957	-	(229,738)	-	(229,738)
Public Safety	173,532	36,237	-	(137,295)	-	(137,295)
Public Works	10,755	-	11,024	269	-	269
Recreation and Cultural	148,495	95,327	25,000	(28,168)	-	(28,168)
Interest on Debt Service	<u>4,138</u>	<u>-</u>	<u>-</u>	<u>(4,138)</u>	<u>-</u>	<u>(4,138)</u>
Total Governmental Activities	<u>620,349</u>	<u>134,521</u>	<u>36,024</u>	<u>(449,804)</u>	<u>-</u>	<u>(449,804)</u>
Business-type Activities:						
Sewer	<u>31,770</u>	<u>17,513</u>	<u>-</u>	<u>-</u>	<u>(14,257)</u>	<u>(14,257)</u>
Total Business-type Activities	<u>31,770</u>	<u>17,513</u>	<u>-</u>	<u>-</u>	<u>(14,257)</u>	<u>(14,257)</u>
Total	<u>\$ 652,119</u>	<u>\$ 152,034</u>	<u>\$ 36,024</u>	<u>(449,804)</u>	<u>(14,257)</u>	<u>(464,061)</u>
General Revenues:						
Taxes				306,410	-	306,410
State Shared Revenues				162,789	-	162,789
Investment Earnings				17,181	2,592	19,773
Miscellaneous				<u>76,533</u>	<u>-</u>	<u>76,533</u>
Total General Revenues				<u>562,913</u>	<u>2,592</u>	<u>565,505</u>
Change in Net Assets				113,109	(11,665)	101,444
Net Assets – Beginning				<u>2,268,470</u>	<u>399,037</u>	<u>2,667,507</u>
Net Assets – Ending				<u>\$ 2,381,579</u>	<u>\$ 387,372</u>	<u>\$ 2,768,951</u>

See Accompanying Notes to Basic Financial Statements

Whitewater Township
Balance Sheet
Governmental Funds
March 31, 2005

	General	Fire Fund	Park Fund	Recreation Fund	Fire Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>							
Cash and Cash Equivalents	\$ 267,057	\$ 105,468	\$ 1,366	\$ 25,805	\$ 187,795	\$ 34,444	\$ 621,935
Petty Cash	425	-	-	-	-	-	425
Accounts Receivable	22,144	8,698	-	2,033	-	4,446	37,321
Due from Other Funds	5	-	-	-	-	-	5
Due from Other Units	-	-	368	-	-	-	368
Total	<u>\$ 289,631</u>	<u>\$ 114,166</u>	<u>\$ 1,734</u>	<u>\$ 27,838</u>	<u>\$ 187,795</u>	<u>\$ 38,890</u>	<u>\$ 660,054</u>

Liabilities and Fund Equity

<u>Liabilities:</u>	\$ 8,545	\$ 1,245	\$ 168	\$ -	\$ -	440	\$ 10,398
Accounts Payable	9,300	-	-	-	-	-	9,300
Deferred Revenue	-	-	-	-	-	-	-
Total	<u>17,845</u>	<u>1,245</u>	<u>168</u>	<u>-</u>	<u>-</u>	<u>440</u>	<u>19,698</u>
<u>Fund Equity:</u>							
Fund Balance - Reserved	10	-	-	-	-	269	279
Fund Balance - Unreserved	271,776	112,921	1,566	27,838	187,795	38,181	640,077
Total	<u>271,786</u>	<u>112,921</u>	<u>1,566</u>	<u>27,838</u>	<u>187,795</u>	<u>38,450</u>	<u>640,356</u>
Total Liabilities and Fund Equity	<u>\$ 289,631</u>	<u>\$ 114,166</u>	<u>\$ 1,734</u>	<u>\$ 27,838</u>	<u>\$ 187,795</u>	<u>\$ 38,890</u>	

Amounts reported for governmental activities on the statement of net assets are different because:

Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.

1,826,925

Long-term liabilities do not use current financial resources and therefore are not reported in the funds.

(85,702)

Net assets of governmental activities.

\$ 2,381,579

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2005

	General	Fire Fund	Park Fund	Recreation Fund	Fire Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>							
Taxes	\$ 150,344	\$ 127,527	\$ -	\$ 28,539	\$ -	\$ -	\$ 306,410
Licenses and Permits	25,945	-	-	-	-	-	25,945
State Grants	162,789	-	-	-	-	11,024	173,813
Charges for Services	5,807	-	93,452	1,875	-	26,608	127,742
Interest and Rents	5,628	5,301	1,992	750	2,814	696	17,181
Other	2,248	54,665	269	25,000	-	185	82,367
Total	352,761	187,493	95,713	56,164	2,814	38,513	733,458
<u>Expenditures</u>							
Legislative	50,734	-	-	-	-	-	50,734
General Government	194,544	-	-	-	-	-	194,544
Public Safety	51,987	107,284	-	-	-	-	159,271
Public Works	-	-	-	-	-	10,755	10,755
Recreation and Cultural	60	-	97,486	12,086	-	33,226	142,858
Other	25,720	-	-	-	-	-	25,720
Capital Outlay	4,124	20,998	12,154	82,731	-	1,375	121,382
Total	327,169	128,282	109,640	94,817	2,814	45,356	705,264
Excess Revenues (Expenditures)	25,592	59,211	(13,927)	(38,653)	-	(6,843)	28,194
<u>Other Financing Sources (Uses)</u>							
Operating Transfers In	-	-	14,892	-	56,773	5,000	76,665
Operating Transfers (Out)	(19,892)	(56,773)	-	-	-	-	(76,665)
Total	(19,892)	(56,773)	14,892	-	56,773	5,000	-
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	5,700	2,438	965	(38,653)	59,587	(1,843)	28,194
Fund Balance - Beginning of Year	266,086	110,483	601	66,492	128,208	40,293	72,412
Fund Balance - End of Year	271,786	112,921	1,566	27,839	187,795	38,450	72,412

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets over their useful lives is reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayment during the period.

Change in net asset of governmental activities

See Accompanying Notes to Basic Financial Statements

Tobin & Co.

Whitewater Township
Statement of Net Assets
Proprietary Funds
March 31, 2005

	Enterprise Fund and Total Miami Beach Sewer Fund
<u>Assets</u>	
Cash and Cash Equivalents	\$ 157,294
Accounts Receivable	669
Special Assessments Receivable:	
Delinquent	835
Deferred	149,366
Interest Receivable on Assessments	643
Capital Assets:	
Land	26,000
Other Capital Assets, Net of Depreciation	280,270
Intangible Assets, Net of Amortization	<u>4,721</u>
Total Assets	<u>619,798</u>
<u>Liabilities</u>	
Accounts Payable and Accrued Expenses	78
Long-term Liabilities, Net of Discounts:	
Due Within One Year	15,000
Due in More Than One Year	<u>217,348</u>
Total Liabilities	<u>232,426</u>
<u>Net Assets</u>	
Invested in Capital and Intangible Assets, Net of Related Debt	78,643
Unrestricted	<u>308,729</u>
Total Net Assets	<u>\$ 387,372</u>

See Accompanying Notes to Basic Financial Statements

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended March 31, 2005

Enterprise Fund
and Total
Miami Beach
Sewer Fund

Operating Revenues

Fees and Charges
Special Assessments
Interest

\$ 6,950
10,563
2,592
20,105

Total Operating Revenues

Operating Expenses

Contractual Services
Debt Service Interest and Fees
Depreciation and Amortization

11,320
13,504
6,946
31,770

Total Operating Expenses

(11,665)

Net (Loss)

56,798

Retained Earnings – Beginning of Year

\$ 45,133

Retained Earnings – End of Year

See Accompanying Notes to Basic Financial Statements

Tobin & Co.

Whitewater Township
Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2005

	Enterprise Fund and Total Miami Beach Sewer Fund
<u>Operating Activities</u>	
Collections of Charges for Services	\$ 12,350
Collections of Special Assessments	28,209
Collections of Interest	2,592
Deduct Expenses Using Cash and Cash Equivalents	<u>(25,162)</u>
Net Cash Flow from Operating Activities	<u>17,989</u>
<u>Capital Financing Activities</u>	
Principal Payments	<u>(10,000)</u>
Cash Flow Used by Capital Financing Activities	<u>(10,000)</u>
Net Increase in Cash	7,989
Balance of Cash – Beginning of Year	<u>149,305</u>
Balance of Cash – End of Year	<u>\$ 157,294</u>
Net (Loss)	\$ (11,665)
Add Depreciation and Amortization	7,375
Decrease in Receivables	23,046
(Decrease) in Payables	<u>(767)</u>
Net Cash Flow from Operating Activities	<u>\$ 17,989</u>

See Accompanying Notes to Basic Financial Statements

Tobin & Co.

Whitewater Township Statement of Fiduciary Net Assets March 31, 2005

Assets

Cash and Investments

\$ 5

Total Assets

5

Liabilities

Undistributed Taxes and Interest

5

Total Liabilities

5

Net Assets

\$ -

See Accompanying Notes to Basic Financial Statements

Tobin & Co.

Whitewater Township
Notes to Financial Statements
March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Whitewater Township is a general law township located in Grand Traverse County, Michigan. Population as of the 2000 census was 2,467, and the current State equalized valuation of the year of audit was \$223,095,180.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Tobin & Co.

Whitewater Township
Notes to Financial Statements
March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Proprietary Funds

These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included in the statement of net assets.

Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

D. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Township considers all short-term debt securities purchased with a remaining maturity of three months or less when purchased to be cash equivalents.

F. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns or business-type activities in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	20 years
Sewer Systems	50 years
Buildings	30 - 60 years
Building Improvements	10 - 30 years
Vehicles	3 - 10 years
Office Furniture	3 - 10 years
Equipment	3 - 10 years

G. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$223,095,180	\$133,334,140	.6475
Fire Protection	\$223,095,180	\$133,334,140	1.0000
Recreation	\$223,095,180	\$133,334,140	.2209

H. Special Assessment Revenue

Special Assessment Revenue is recognized in the year of levy. The Township has elected to recognize advance payments of special assessments as revenue upon receipt rather than allocating a portion of such payments to each year's levy.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2005

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no material violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2005.
- C. Public Act 621 of 1978, §18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2005, no cost center overexpended its budget without formal budget amendment.

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) In repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) In obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Township had \$800,292 deposited with local financial institutions at March 31, 2005 with a carrying value of \$779,659. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had \$579,659 of uninsured deposits at March 31, 2005.

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2005

NOTE 4 - CAPITAL/INTANGIBLE ASSETS

	<u>03/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>03/31/05</u>
Governmental Activities:				
Land and Improvements	\$ 1,571,064	\$ 7,675	\$ -	\$ 1,578,739
Buildings and Improvements	461,064	-	-	461,064
Vehicles and Equipment	173,444	99,334	-	272,778
Total	2,205,572	107,009	-	2,312,581
Less Accumulated Depreciation	(436,686)	(48,970)	-	(485,656)
Governmental Activities Capital Assets, Net	<u>\$ 1,768,886</u>	<u>\$ 58,039</u>	<u>\$ -</u>	<u>\$ 1,826,925</u>
Business-type Activities:				
Land	\$ 26,000	\$ -	\$ -	\$ 26,000
Sewer Systems	325,846	-	-	325,846
Total	351,846	-	-	351,846
Less Accumulated Depreciation	(39,059)	(6,517)	-	(45,576)
Business-type Activities Capital Assets, Net	<u>\$ 312,787</u>	<u>\$ (6,517)</u>	<u>\$ -</u>	<u>\$ 306,270</u>

Intangible assets at March 31, 2005 consisted of bond origination costs of \$7,725, less accumulated amortization of \$3,004 and \$2,572 at March 31, 2005 and 2004, respectively.

NOTE 5 - LOANS AND TRANSFERS BETWEEN FUNDS

The following advance balances between funds existed at March 31, 2005:

\$5 owed from the Current Property Tax Collection Fund to the General Fund.

The following inter-fund operating transfers were made during the audit year:

\$14,892 from the General Fund to the Park Fund
\$5,000 from the General Fund to the Ambulance Fund
\$56,773 from the Fire Fund to the Fire Capital Improvement Fund

NOTE 6 - INVENTORIES

Whitewater Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses at time of purchase.

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2005

NOTE 7 - LONG-TERM DEBT

Enterprise Fund long-term debt at March 31, 2005 consisted of 4.30% to 5.50% Grand Traverse County Whitewater Township Sanitary Sewer System Bonds. The bonds were issued on March 1, 1999 with an original issue amount of \$315,000 and an original issue discount of \$6,300. Principal payments are May 1 and interest May 1 and November 1.

Debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>
2005	\$ 15,000	\$ 12,118
2006	20,000	11,250
2007	20,000	10,240
2008	20,000	9,210
2009	20,000	8,165
2010	20,000	7,110
2011	20,000	6,040
2012	20,000	4,950
2013	20,000	3,850
2014	20,000	2,750
2015	20,000	1,650
2016	20,000	550
	<u>\$ 235,000</u>	<u>\$ 77,883</u>

General long-term debt at March 31, 2005 consisted of five installment notes payable to Alden State Bank, various dates, 4.25% interest rate, principal and interest payments due annually on various dates.

<u>Year Ended March 31,</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 12,998	\$ 3,642
2007	13,551	3,090
2008	14,127	2,514
2009	14,727	1,913
2010	15,353	1,288
2011	14,946	1,695
	<u>\$ 85,702</u>	<u>\$ 14,142</u>

Changes in Long-term Debt:

	<u>Principal Balance 3/31/04</u>	<u>Additions</u>	<u>Payments</u>	<u>Principal Balance 3/31/05</u>
Sanitary Sewer System Bonds	\$ 245,000	\$ -	\$ 10,000	\$ 235,000
Notes Payable - Alden State Bank	98,170	-	12,468	85,702
Total	<u>\$ 343,170</u>	<u>\$ -</u>	<u>\$ 22,468</u>	<u>\$ 320,702</u>

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2005

NOTE 8 - RETIREMENT PLAN

The Township has a defined contribution pension plan for Michigan Township employees under contract with the Manufacturers Life Insurance Company. Listed below is a summary of the significant plan provisions adopted by Board resolution in December 1968 and amended December 1995 and January 1996.

A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. 90 days minimum service requirement.
3. All elected officials and full-time salaries employees.

B. Contributions

1. 10% of annual compensation funded entirely by the Township on an annual basis.
2. Compensation determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.

C. Vesting

1. Contributions are vested to the employee immediately upon early retirement, termination of services, death, disability, or normal retirement at 100%.

D. Plan Administration

1. The plan is administered by the Township Clerk.

During the audit year, the total contribution for the plan year, April 1, 2004 to April 1, 2005 was \$11,252. Covered payroll for the year was \$112,521 with total payroll for all employees of \$203,243. The plan was funded at the required contribution amount.

NOTE 9 - ACCOUNTS/TAXES RECEIVABLE

Accounts receivable of \$4,446 in the Ambulance Fund represent amounts due from individuals for ambulance service. Substantially all receivables in the General Fund and other Special Revenue Funds represent 2004 delinquent real and personal property taxes, property tax administration fees and swamp tax.

NOTE 10- PROPERTY TAX ADMINISTRATION FEES

The Township levied the 1% administration fee permitted by statute on all 2004 property taxes. These fees may be used only to offset such property tax administration costs as assessing, collecting and the review and appeal process. Property tax administration fee collection and summer tax collection fees totaled \$50,268, while costs were \$45,286 for the audit year.

NOTE 11- CONTINGENT LIABILITIES

As of March 31, 2005 a local construction company had filed suit in circuit court requesting damages over a zoning matter. Neither the amount nor outcome probability were known as of this report date.

NOTE 12- COMPENSATED ABSENCES

The Township provides non-cumulative annual and personal leave to the Zoning Administrator. As of March 31, 2005, there was no liability for compensated absences.

NOTE 13- RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan and Burnham and Flowers Insurance Agency and Michigan Municipal League Workmen's Compensation Fund. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2005

NOTE 14- SEGMENT INFORMATION – ENTERPRISE FUND

The Township maintains a single enterprise fund, which provides sewer services. Segment information for the year ended March 31, 2005 was as follows:

Operating Revenues	\$ 20,105
Depreciation, Depletion and Amortization Expense	6,946
Operating (loss)	(11,665)
Net (loss)	(11,665)
Property, Plant, and Equipment: Additions	-
Net Working Capital	144,363
Total Assets	619,798
Bonds and Other Long-Term Liabilities:	
Payable from Operating Revenues	235,000
Total Equity	387,372

SUPPLEMENTAL DATA SECTION

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2005

Schedule 1
Page 1

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Property Taxes	\$ 84,732	\$ 84,732	\$ 83,687	\$ (1,045)
Penalties and Interest on Taxes	1,000	1,000	2,635	1,635
Property Tax Administration Fees	41,625	41,625	42,201	576
Swamp Tax and Commercial Forest Collection Fees	14,000	14,000	13,754	(246)
	7,500	7,500	8,067	567
Licenses and Permits:				
Land Use Permits	5,000	5,000	6,779	1,779
Franchise Fees	18,500	18,500	19,166	666
State Grants:				
State Shared Revenues	167,524	167,524	162,789	(4,735)
Charges for Services:				
Fees	6,500	6,500	3,200	(3,300)
Sales	1,050	1,050	2,607	1,557
Interest and Rents:				
Interest	4,500	4,500	5,628	1,128
Other:				
Refunds and Reimbursements	-	-	26	26
Sale of Fixed Assets	-	-	25	25
Miscellaneous	1,000	1,000	2,197	1,197
Total Revenues	352,931	352,931	352,761	(170)
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries and Wages	-	-	4,787	-
Office Supplies	-	-	3,679	-
Postage	-	-	66	-
Audit and Accounting	-	-	5,285	-
Clean Up Day	-	-	12,892	-
Pension	-	-	8,600	-
Dues and Memberships	-	-	2,721	-
Meals and Lodging	-	-	656	-
Mileage	-	-	66	-
Education and Training	-	-	209	-
Publishing	-	-	3,980	-
Township Newsletter	-	-	2,709	-
Miscellaneous	-	-	3,060	-
Boardman River Project	-	-	400	-
Gypsy Moth Program	-	-	1,563	-
Refunds	-	-	61	-
Total	60,632	51,591	50,734	857
Total Legislative	60,632	51,591	50,734	857

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2005

Schedule I
Page 2

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>Expenditures (Continued)</u>				
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	25,525	-
Office Supplies	-	-	253	-
Postage	-	-	137	-
Meals and Lodging	-	-	533	-
Mileage Reimbursement	-	-	546	-
Education	-	-	325	-
Total	<u>27,675</u>	<u>27,675</u>	<u>27,319</u>	<u>356</u>
Elections:				
Salaries and Wages	-	-	3,098	-
Office Supplies	-	-	334	-
Postage	-	-	715	-
Mileage Reimbursement	-	-	9	-
Publishing	-	-	1,064	-
Total	<u>3,832</u>	<u>5,337</u>	<u>5,220</u>	<u>117</u>
Assessor:				
Office Supplies	-	-	224	-
Postage	-	-	814	-
Assessing Services	-	-	18,900	-
Software Support	-	-	420	-
Total	<u>20,500</u>	<u>20,553</u>	<u>20,358</u>	<u>195</u>
Attorney:				
Legal Services	-	-	49,957	-
Total	<u>30,000</u>	<u>50,000</u>	<u>49,957</u>	<u>43</u>
Clerk:				
Salaries and Wages	-	-	30,293	-
Office Supplies	-	-	1,757	-
Postage	-	-	677	-
Software Support	-	-	2,893	-
Mileage	-	-	713	-
Education	-	-	155	-
Meals and Lodging	-	-	81	-
Total	<u>38,775</u>	<u>37,775</u>	<u>36,569</u>	<u>1,206</u>
Board of Review:				
Salaries and Wages	-	-	432	-
Printing and Publishing	-	-	29	-
Education and Training	-	-	94	-
Total	<u>850</u>	<u>850</u>	<u>555</u>	<u>295</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2005

Schedule 1
Page 3

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (Continued)				
General Government (Continued):				
Treasurer:				
Salaries	-	-	22,608	-
Wages	-	-	984	-
Office Supplies	-	-	1,209	-
Postage	-	-	2,186	-
Software Support	-	-	420	-
Mileage Reimbursement	-	-	1,162	-
Meals and Lodging	-	-	92	-
Education and Training	-	-	215	-
Total	<u>30,608</u>	<u>30,608</u>	<u>28,876</u>	<u>1,732</u>
Township Hall and Grounds:				
Operating Supplies	-	-	1,444	-
Lawn Maintenance	-	-	1,475	-
Janitorial	-	-	1,275	-
Waste Removal	-	-	264	-
Snow Plowing	-	-	846	-
Internet	-	-	715	-
Electricity	-	-	1,291	-
Heat	-	-	1,867	-
Telephone	-	-	3,161	-
Maintenance and Repairs	-	-	6,070	-
Total	<u>16,889</u>	<u>18,939</u>	<u>18,408</u>	<u>531</u>
Cemetery:				
Operating Supplies	-	-	150	-
Cemetery Sexton	-	-	610	-
Lawn Maintenance	-	-	6,430	-
Electricity	-	-	92	-
Total	<u>8,550</u>	<u>7,550</u>	<u>7,282</u>	<u>268</u>
Total General Government	<u>177,679</u>	<u>199,287</u>	<u>194,544</u>	<u>4,743</u>
Public Safety:				
Planning Commission:				
Salaries	-	-	2,860	-
Wages	-	-	650	-
Professional Services	-	-	1,236	-
Dues and Memberships	-	-	600	-
Education and Training	-	-	20	-
Meals and Lodging	-	-	40	-
Publishing	-	-	1,432	-
Total	<u>12,430</u>	<u>9,046</u>	<u>6,838</u>	<u>2,208</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2005

Schedule 1
Page 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Public Safety (Continued):				
Zoning Administrator/Planner:				
Salaries and Wages	-	-	36,290	-
Office Supplies	-	-	947	-
Postage	-	-	409	-
Professional Services	-	-	300	-
Pension Plan	-	-	3,460	-
Mileage and Reimbursement	-	-	809	-
Meals and Lodging	-	-	848	-
Education and Training	-	-	359	-
Total	<u>42,038</u>	<u>44,036</u>	<u>43,422</u>	<u>614</u>
Zoning Board of Appeals:				
Salaries	-	-	1,190	-
Wages	-	-	400	-
Publishing	-	-	137	-
Total	<u>2,450</u>	<u>2,450</u>	<u>1,727</u>	<u>723</u>
Total Public Safety	<u>56,918</u>	<u>55,532</u>	<u>51,987</u>	<u>3,545</u>
Recreation and Cultural:				
Historical Society:				
Office Supplies	-	-	60	-
Total Recreation and Cultural	<u>200</u>	<u>200</u>	<u>60</u>	<u>140</u>
Other:				
Employee Health Insurance	-	-	943	-
Social Security/Medicare	-	-	9,666	-
Insurance	-	-	15,111	-
Total	<u>38,508</u>	<u>26,121</u>	<u>25,720</u>	<u>401</u>
Capital Outlay	<u>4,100</u>	<u>4,124</u>	<u>4,124</u>	-
Total Expenditures	<u>338,037</u>	<u>336,855</u>	<u>327,169</u>	<u>9,686</u>
Excess Revenues (Expenditures)	<u>14,894</u>	<u>16,076</u>	<u>25,592</u>	<u>9,516</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>(20,347)</u>	<u>(21,529)</u>	<u>(19,892)</u>	<u>1,637</u>
Total	<u>(20,347)</u>	<u>(21,529)</u>	<u>(19,892)</u>	<u>1,637</u>
<u>Excess Revenues (Expenditures) and</u> <u>Other Financing Sources (Uses)</u>	(1) <u>\$ (5,453)</u>	<u>\$ (5,453)</u>	<u>5,700</u>	<u>\$ 11,153</u>
Fund Balance – Beginning of Year			<u>266,086</u>	
Fund Balance – End of Year			<u>\$ 271,786</u>	

(1) Budgeted from Fund Balance

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Fire Fund
For the Year Ended March 31, 2005

Schedule 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:	\$ -	\$ -	\$ 127,527	\$ -
Property Taxes				
Interest and Rents:	-	-	4,000	-
Rent	-	-	1,301	-
Interest				
Other:	-	-	54,645	-
Sale of Fixed Assets	-	-	20	-
Miscellaneous	-	-		
Total Revenues	<u>133,732</u>	<u>186,778</u>	<u>187,493</u>	<u>715</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	10,938	-
Social Security and Medicare	-	-	841	-
Uniforms	-	-	1,717	-
Supplies	-	-	1,943	-
Contractual	-	-	71,178	-
Trash and Snow Removal	-	-	824	-
Accounting and Auditing	-	-	4,997	-
Telephone	-	-	1,578	-
Printing and Publishing	-	-	135	-
Public Utilities	-	-	5,008	-
Maintenance and Repairs	-	-	7,466	-
Mileage Reimbursement	-	-	659	-
Capital Outlay	-	-	20,998	-
Total	<u>133,732</u>	<u>130,005</u>	<u>128,282</u>	<u>1,723</u>
<u>Excess Revenues (Expenditures)</u>	<u>-</u>	<u>56,773</u>	<u>59,211</u>	<u>2,438</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	(56,773)	(56,773)	-
Total	-	(56,773)	(56,773)	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,438</u>	<u>\$ 2,438</u>
Fund Balance – Beginning of Year			<u>110,483</u>	
Fund Balance – End of Year			<u>\$ 112,921</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Park Fund
For the Year Ended March 31, 2005

Schedule 3

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services:				
Camping Fees	\$ 72,550	\$ 74,155	\$ 74,155	\$ -
Boat Ramp Fees	8,000	8,000	7,575	(425)
Reservation Fees	3,200	3,200	3,070	(130)
Ice Sales	4,000	4,000	3,549	(451)
Pop Sales	900	900	647	(253)
Wood Sales	1,400	2,653	2,653	-
Shower Fees	1,800	1,800	1,803	3
Interest and Rents:				
Interest	90	90	67	(23)
Rent	1,725	1,725	1,925	200
Other:				
Miscellaneous	130	130	269	139
Total Revenues	93,795	96,653	95,713	(940)
Expenditures				
Salaries	-	-	2,493	-
Wages	-	-	41,345	-
Office Supplies	-	-	737	-
Postage	-	-	171	-
Operating Supplies	-	-	8,197	-
Ice	-	-	1,487	-
Pop	-	-	333	-
Uniforms	-	-	364	-
Professional Services	-	-	30	-
Lawn Maintenance	-	-	4,720	-
Waste Removal	-	-	1,184	-
Septic Services	-	-	1,484	-
Mileage	-	-	230	-
Electricity	-	-	3,218	-
Propane	-	-	1,125	-
Telephone	-	-	1,137	-
Sales Tax	-	-	351	-
Maintenance and Repairs	-	-	8,377	-
Miscellaneous	-	-	508	-
Capital Outlay	-	-	12,154	-
Total	81,282	90,854	89,645	1,209
Social Security/Medicare:				
Social Security	-	-	2,718	-
Medicare	-	-	636	-
Total	2,886	3,354	3,354	-
Debt Service:				
Principal	-	-	12,503	-
Interest	-	-	4,138	-
Total	16,641	16,641	16,641	-

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Park Fund
For the Year Ended March 31, 2005

Schedule 3
Page 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Total Expenditures	<u>100,809</u>	<u>110,849</u>	<u>109,640</u>	<u>(2,145)</u>
<u>Excess Revenues (Expenditures)</u>	<u>(7,014)</u>	<u>(14,196)</u>	<u>(13,927)</u>	<u>269</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	7,710	14,892	14,892	-
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>7,710</u>	<u>14,892</u>	<u>14,892</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and</u> <u>Other Financing Sources (Uses)</u>	<u>\$ 696</u>	<u>\$ 696</u>	965	<u>\$ (3,085)</u>
Fund Balance – Beginning of Year			<u>601</u>	
Fund Balance – End of Year			<u>\$ 1,566</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Recreation Fund
For the Year Ended March 31, 2005

Schedule 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Current Taxes	\$ 28,898	\$ 28,898	\$ 28,536	\$ (362)
Penalties and Interest on Taxes	-	-	3	3
Charges for Services:				
Fees	2,000	2,000	1,875	(125)
Sales	50	50	-	(50)
Interest and Rents:				
Interest	150	150	750	600
Other:				
Private Grants	69,166	69,166	25,000	(44,166)
Total Revenues	<u>100,264</u>	<u>100,264</u>	<u>56,164</u>	<u>(44,100)</u>
<u>Expenditures</u>				
Recreation:				
Salaries	-	-	39	-
Wages	-	-	1,097	-
Office Supplies	-	-	94	-
Operating Supplies	-	-	848	-
Professional Services	-	-	1,905	-
Lawn Maintenance	-	-	4,450	-
Waste Removal	-	-	282	-
Septic	-	-	95	-
Electricity	-	-	543	-
Maintenance and Repairs	-	-	2,646	-
Capital Outlay	-	-	82,731	-
Total	<u>114,852</u>	<u>114,852</u>	<u>94,730</u>	<u>20,122</u>
Social Security/Medicare:				
Social Security	-	-	70	-
Medicare	-	-	17	-
Total	<u>172</u>	<u>172</u>	<u>87</u>	<u>85</u>
Total Expenditures	<u>115,024</u>	<u>115,024</u>	<u>94,817</u>	<u>20,207</u>
<u>Excess Revenues (Expenditures)</u>	(1) <u>\$ (14,760)</u>	<u>\$ (14,760)</u>	<u>(38,653)</u>	<u>\$ (23,893)</u>
Fund Balance – Beginning of Year			<u>66,492</u>	
Fund Balance – End of Year			<u>\$ 27,839</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Fire Capital Improvement Fund
For the Year Ended March 31, 2005

Schedule 5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest and Rents:				
Interest	\$ 2,560	\$ 2,560	\$ 2,814	\$ 254
Total	2,560	2,560	2,814	254
<u>Expenditures</u>	-	-	-	-
Total	-	-	-	-
<u>Excess Revenues (Expenditures)</u>	2,560	2,560	2,814	254
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	56,773	56,773
Operating Transfers (Out)	-	-	-	-
Total	-	-	56,773	56,773
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	\$ 2,560	\$ 2,560	59,587	\$ 57,027
Fund Balance – Beginning of Year			128,208	
Fund Balance – End of Year			\$ 187,795	

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Combining Balance Sheet Non-Major Governmental Funds March 31, 2005

Schedule 6

	Special Revenue				
	Road Fund	Ambulance Fund	Ambulance Replacement Fund	Public Improvement Fund	Total
<u>Assets</u>					
Cash and Cash Equivalents	\$ 364	\$ 4,237	\$ 18,350	\$ 11,493	\$ 34,444
Accounts Receivable	-	4,446	-	-	4,446
Total Assets	<u>\$ 364</u>	<u>\$ 8,683</u>	<u>\$ 18,350</u>	<u>\$ 11,493</u>	<u>\$ 38,890</u>
 <u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts Payable	-	440	-	-	440
Total	-	440	-	-	440
Fund Equity:					
Fund Balance – Unrestricted	95	8,243	18,350	11,493	38,181
Fund Balance – Restricted	269	-	-	-	269
Total Fund Equity	364	8,243	18,350	11,493	38,450
Total Liabilities and Fund Balance	<u>\$ 364</u>	<u>\$ 8,683</u>	<u>\$ 18,350</u>	<u>\$ 11,493</u>	<u>\$ 38,890</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-Major Governmental Funds March 31, 2005

Schedule 7

	<u>Special Revenue</u>				
	<u>Road Fund</u>	<u>Ambulance Fund</u>	<u>Ambulance Replacement Fund</u>	<u>Public Improvement Fund</u>	<u>Total</u>
<u>Revenues</u>					
State Grants:					
Metro Act	\$ 11,024	\$ -	\$ -	\$ -	\$ 11,024
Charges for Services:					
Fees	-	26,608	-	-	26,608
Interest and Rents:					
Interest	95	36	347	218	696
Other:					
Donations	-	10	-	-	10
Miscellaneous	-	175	-	-	175
Total	<u>11,119</u>	<u>26,829</u>	<u>347</u>	<u>218</u>	<u>38,513</u>
<u>Expenditures</u>					
Public Works	10,755	-	-	-	10,755
Public Safety	-	33,226	-	-	33,226
Capital Outlay	-	1,375	-	-	1,375
Total	<u>10,755</u>	<u>34,601</u>	<u>-</u>	<u>-</u>	<u>45,356</u>
<u>Excess Revenues (Expenditures)</u>	<u>364</u>	<u>(7,772)</u>	<u>347</u>	<u>218</u>	<u>(6,843)</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	-	5,000	-	-	5,000
Operating Transfers (Out)	-	-	-	-	-
Total	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>364</u>	<u>(2,772)</u>	<u>347</u>	<u>218</u>	<u>(1,843)</u>
Fund Balance -- Beginning of Year	<u>-</u>	<u>11,015</u>	<u>18,003</u>	<u>11,275</u>	<u>40,293</u>
Fund Balance -- End of Year	<u>\$ 364</u>	<u>\$ 8,243</u>	<u>\$ 18,350</u>	<u>\$ 11,493</u>	<u>\$ 38,450</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Changes in Assets and Liabilities
Current Tax Collection Fund
For the Year Ended March 31, 2005

Schedule 8

	Balance 03/31/04	Additions	Deductions	Balance 03/31/05
<u>Assets</u>				
Cash	\$ 5	\$ 4,067.893	\$ 4,067.893	\$ 5
Total Assets	\$ 5	\$ 4,067.893	\$ 4,067.893	\$ 5
<u>Liabilities</u>				
Undistributed Taxes	\$ 5	\$ 4,067.893	\$ 4,067.893	\$ 5
Total Liabilities	\$ 5	\$ 4,067.893	\$ 4,067.893	\$ 5

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
2004 Property Tax Levy and Collections
For the Year Ended March 31, 2005

Schedule 9

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	5.2112	\$ 684,830	\$ 634,833	\$ 49,997
Commission on Aging	0.2718	36,298	33,648	2,650
Medical Care	0.6897	90,627	84,010	6,617
BATA	0.3500	45,782	42,440	3,342
State Education	6.0000	801,498	767,023	34,475
School District:				
Elk Rapids	20.5700	1,364,237	1,290,816	73,421
Traverse City	21.1000	8,801	8,801	-
Intermediate School District	2.9732	397,159	380,076	17,083
Community College	2.9324	378,325	356,579	21,746
District Library	1.2290	159,706	148,046	11,660
Township:				
General	0.6475	83,600	77,497	6,103
Fire Protection	1.0000	127,423	118,723	8,700
Recreation	0.2209	28,510	26,429	2,081
Special Assessments		23,646	22,168	1,478
Commercial Forest Reserve		<u>453</u>	<u>453</u>	<u>-</u>
Total		<u>\$ 4,230,895</u>	<u>\$ 3,991,542</u>	<u>\$ 239,353</u>
Percent of Levy Collected		94.34%		

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Balance
Property Tax Administration Fees
For the Year Ended March 31, 2005

Schedule 10

Revenues

Summer Property Tax Administration Fees	\$ 42,201
Summer Property Tax Collection Fee	<u>8,067</u>
Total	<u>50,268</u>

Expenditures

Assessor	18,900
Assessor Expenses	1,458
Treasurer – (80% of Salary)	18,086
Treasurer Expenses	5,776
Board of Review	555
Supervisor – (2% of Salary)	<u>511</u>
Total	<u>45,286</u>

<u>Excess Revenues</u>	<u>4,982</u>
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<u>Accumulated Excess (Expenditures)</u>	<u>\$ (217,336)</u>
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The Notes to the Basic Financial Statements are an integral part of this statement.